

Message Text

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ACTION EA-10

INFO OCT-01 EUR-12 ISO-00 DODE-00 EB-07 NSAE-00 TRSE-00

AEC-05 CIAE-00 COME-00 NSC-05 NSCE-00 L-02 MC-02

OMB-01 SCA-01 VO-03 /049 W
----- 088047

P R 190045Z FEB 75
FM USLO PEKING
TO SECSTATE WASHDC PRIORITY 3237
INFO AMCONSUL HONG KONG
OECD PARIS 149

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E.O. 11652: N/A
TAGS: ETRD, ESTC, US, CH
SUBJECT: BURROUGHS COMPUTER NEGOTIATIONS WITH PRC

1. LLOYD WISE, BURROUGHS CORPORATION DIRECTOR FOR MARKET DEVELOPMENT WITH THE PRC, CALLED AT USLO FEBRUARY 18 TO APPRISE US OF NEGOTIATIONS NOW UNDERWAY FOR THE POSSIBLE SALE OF A COMPUTER TO THE PRC. WISE HAS BEEN IN PEKING FOR TWO WEEKS WITH THREE OTHER BURROUGHS REPS TALKING TO THE CHINA NATIONAL MACHINERY IMPORT AND EXPORT CORPORATION (MACHIMPEX), AND TO THE INSTITUTE OF COMPUTER TECHNOLOGY OF THE ACADEMS OF SCIENCES WHICH WOULD BE THE END-USER.

2. THE MODEL UNDER CONSIDERATION IS BURROUGHS B-7700, WHICH WISE DESCRIBES AS A LARGE SIZE COMPUTER. HE SAID IT IS LARGER, THOUGH TECHNICALLY NOT MORE SOPHISTICATED, THAN A MODEL WHICH BURROUGHS HAD SOLD TO THE SOVIET HVIBN.# IF CONSUMMATED, THE SALE WOULD COME TO ABOUT US DOLLARS 5 MILLION. WISE INFORMED THE CHINESE THAT AN EXPORT LICENSE WILL BE REQUIRED.

3. THE CHINESE TOLD THE BURROUGHS REPS THAT THE COMPUTER WOULD BE A GENERAL PURPOSE FACILITY AND USED FOR ECONOMIC PLANNING AND SIMULATION, SCIENTIFIC RESEARCH, GEOLOGICAL RESEARCH, HYDRAULIC ENGINEERING, METALLURGY, AND TRANSPORTATION AND COMMUNICATIONS

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PLANNING. IT WOULD BE INSTALLED AT THE INSTITUTE'S PREMISES IN PEKING.

4. IN THE COURSE OF DISCUSSIONS, THE CHINESE INDICATED AN INTEREST IN VISITING BURROUGHS IN THE US, AND WISE WANTED TO KNOW IF ANY VISA PROBLEMS WOULD BE ENCOUNTERED IF HE EXTENDED AN INVITATION. USLO OFFICER TOLD HIM THERE ARE NORMALLY NO PROBLEMS WITH SUCH VISITS, BUT THAT SINCE THE ITEM UNDER CONSIDERATION IS AFFECTED BY EXPORT CONTROLS IT WOULD BE ADVISABLE TO OBTAIN A PRELIMINARY READING FROM WASHINGTON BEFORE WISE EXTENDS THE INVITATION. WISE SAID HIS INTENTION IS FOR THE CHINESE TO VISIT THE BURROUGHS HEADQUARTERS IN DETROIT, TWO OR THREE BURROUGHS' CUSTOMERS

WHO UTILIZE THE B-7700 AND THE BURROUGHS' FACTORY IN

PHILADELPHIA. THE PURPOSE IS TO GIVE THE CHINESE AN "OVERVIEW" OF THE B-7700 IN THE HOPE OF CONCLUDING THE SALE. WISE NOTED THAT THE CHINESE COMPUTER DELEGATION IN THE US LAST YEAR HAD VISITED SOME OF BURROUGHS' FACILITIES. HE SAID THAT IF THE DEPARTMENT WISHES MORE INFORMATION ABOUT THE B-7700, IT SHOULD CONTACT MR. DON COLE OF THE BURROUGHS' OFFICE IN MCLAIN, VIRGINIA.

5. USLO WOULD APPRECIATE THE DEPARTMENT'S ADVICE AS TO WHETHER ANY PROBLEM WOULD BE ENCOUNTERED IN GRANTING VISAS FOR SUCH A VISIT. WISE HOPES TO CONCLUDE THE CURRENT PHASE OF TALKS THIS WEEK AND WE THUS NEED A REPLY AS SOON AS POSSIBLE.

6. THE FOREGOING INFORMATION SHOULD BE TREATED AS COMMERCIALLY SENSITIVE.BUSH

NOTE BY OC/T: #AS RECEIVED.

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Message Attributes

Automatic Decaptoning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: SALES, NEGOTIATIONS, COMPUTERS, STRATEGIC TRADE CONTROLS
Control Number: n/a
Copy: SINGLE
Draft Date: 19 FEB 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: MorefiRH
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975PEKING00268
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: D750058-0413
From: PEKING
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750231/aaaabccg.tel
Line Count: 91
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION EA
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: MorefiRH
Review Comment: n/a
Review Content Flags:
Review Date: 20 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <20 MAY 2003 by ifshinsr>; APPROVED <21 MAY 2003 by MorefiRH>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: BURROUGHS COMPUTER NEGOTIATIONS WITH PRC
TAGS: ETRD, ESTC, US, CH, BURROUGHS CORPORATION
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006